

(3) A major increase in the number of members of the professional staff of each regional multilateral development bank with training in environmental or social impact analysis or natural science, including—

(A) recruitment of additional permanent professional staff; and

(B) training programs for existing staff members in these subject areas.

(4) With respect to the International Bank for Reconstruction and Development, the establishment of a program for policy-based lending to promote the sustainable use of renewable resources and the protection of the environment in borrowing countries.

(5) An increase in the length of any review period established by any multilateral development bank for board review of staff recommendations by such time as would be sufficient to allow the governments of member countries to review and comment on the staff recommendations before any action is taken by the board of directors of such bank on the recommendations.

(b) The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to request the management of such bank to prepare an annual report which identifies and describes the most exemplary lending practices or loan components implemented during the preceding year with respect to each of the following lending policy goals for each major borrowing country or country group:

(1) Benefit to the poor.

(2) Involvement of nongovernmental organizations and local and indigenous populations in loan design, implementation, planning, and monitoring.

(3) Integration of, consideration of, and concern for environmental quality and the sustainable use of natural resources into loan design, implementation, planning, and monitoring.

(4) Recognition of and support for the economic and social development of women.

(Pub. L. 95–118, title XV, § 1501, as added Pub. L. 100–202, § 101(e) [title I], Dec. 22, 1987, 101 Stat. 1329–131, 1329–134.)

CODIFICATION

Section 1501 of Pub. L. 95–118 is based on section 701 of title VII of H.R. 3750, One Hundredth Congress, as introduced Dec. 11, 1987, and enacted into law by Pub. L. 100–202.

DEFINITIONS

The definitions in section 262p–5 of this title apply to this section.

§ 262o–1. Military spending by recipient countries; military involvement in economies of recipient countries

(a) Consideration of commitment to achieving certain goals

(1)¹ In general

The Secretary of the Treasury shall instruct the United States Executive Directors of the

international financial institutions (as defined in section 262r(c)(2) of this title) to promote growth in the international economy by taking into account, when considering whether to support or oppose loan proposals at these institutions, the extent to which the recipient government has demonstrated a commitment to achieving the following goals:

(A) to provide accurate and complete data on the annual expenditures and receipts of the armed forces;

(B) to establish good and publicly accountable governance, including an end to excessive military involvement in the economy; and

(C) to make substantial reductions in excessive military spending and forces.

(b) Steps to achieve goals required

The Secretary of the Treasury shall instruct the United States Executive Directors of the international financial institutions (as so defined) to promote a policy at each institution under which—

(1) the respective institution monitors closely and, through regular policy consultations with recipient governments, seeks to influence the composition of public expenditure in favor of funding growth and development priorities and away from unproductive expenditure, including excessive military expenditures;

(2) the respective institution supports lending operations which assist efforts of recipient governments to promote good governance, including public participation, and reduce military expenditures; and

(3) the allocation of resources and the extension of credit by the respective institution takes into account the performance of recipient governments in the areas of good governance, ending excessive military involvement in the economy and reducing excessive military expenditures.

(Pub. L. 95–118, title XV, § 1502, as added Pub. L. 103–306, title V, § 526(d), Aug. 23, 1994, 108 Stat. 1633.)

DEFINITIONS

The definitions in section 262p–5 of this title apply to this section.

§ 262p. Impact adjustment lending programs

(a) Establishment of guidelines; impact statements

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to initiate discussions with other directors of the respective institutions and to propose that—

(1) guidelines be established which reflect clear and tangible concern for the impact adjustment lending programs, and the activities in support of which such lending is made, have and will have on human welfare; and

(2) impact statements be required which assess the effect an adjustment lending program, and the activities in support of which such lending is made, will have on the poor of the country to which such lending is made.

¹ So in original. No par. (2) has been enacted.

(b) Proposed contents of impact statements

In the discussions referred to in subsection (a) of this section with respect to the impact statement described in paragraph (2) of such subsection, the United States Executive Director should propose that such impact statements—

(1) specify what the projected effects of the adjustment loan will be on the poor;

(2) explain what procedures have been or will be taken to strengthen the in-country capacity of the borrower to—

(A) monitor nutrition levels in a timely manner; and

(B) measure the impact an adjustment loan, and the policies and activities in support of which such loan is made, has on the living standards of the country's population, especially the poorest; and

(3) indicate specifically what steps the borrower will take to—

(A) mitigate any adverse effect the policies and activities in support of which an adjustment loan is made are expected to have on the living standards of the poor (including the use of the proceeds of any adjustment loan, project aid, or other compensatory measure to mitigate such effect); and

(B) maximize the extent of the participation of the poor in the economic benefits resulting from an adjustment loan.

(c) Report to member governments by United States Executive Director of International Bank for Reconstruction and Development and by International Development Association

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to request the management of the respective institutions to prepare a report for distribution to member governments no later than June 30, 1988, that—

(1) assesses the impact on the poor of structural adjustment in countries to which structural adjustment lending has been made; and

(2) specifies the steps that have been or will be taken by the respective institution to—

(A) mitigate any adverse effect of adjustment lending, and the activities in support of which such lending is made, on the living standards of the poor in the countries to which such loans are made; and

(B) ensure the participation of the poor in the economic benefits resulting from adjustment lending and the activities in support of which such lending is made.

(d) "Adjustment lending" defined

For purposes of this section and section 262m-1 of this title, the term "adjustment lending" means nonproject lending in support of structural macroeconomic reforms or sectoral economic reform.

(Pub. L. 95-118, title XVI, § 1601, as added Pub. L. 100-202, § 101(e) [title I], Dec. 22, 1987, 101 Stat. 1329-131, 1329-134.)

CODIFICATION

Section 1601 of Pub. L. 95-118 is based on section 701 of title VII of H.R. 3750, One Hundredth Congress, as in-

troduced Dec. 11, 1987, and enacted into law by Pub. L. 100-202.

DEFINITIONS

The definitions in section 262p-5 of this title apply to this section.

§ 262p-1. Grassroots Collaboration Program**(a) Proposal for establishment; private involvement; projects or policies for alleviation of poverty and promotion of environmental protection**

The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to initiate discussions with other directors of such institutions and to propose the establishment of a Grassroots Collaboration Program to develop improved mechanisms for involving, directly or indirectly, nongovernmental organizations in the design, implementation, and monitoring of development projects financed by, or development policies established by, such bank or association in order to alleviate poverty and promote environmental protection, including—

(1) encouraging nongovernmental organizations in borrowing countries to participate in all stages of project planning and country strategy activities to—

(A) minimize any adverse impact of such projects or activities on the poor people of such country;

(B) minimize any adverse impact of such projects or activities on the environment of such country; and

(C) maximize the extent to which such projects or activities will benefit the poor people of such country;

(2) increasing the direct involvement of nongovernmental organizations in project design, implementation, or monitoring whenever such organizations have a distinct comparative advantage over other entities in providing such services by virtue of their grassroots involvement with poor people, especially women, in a borrowing country;

(3) providing microenterprise credit for small scale economic activities through nongovernmental organizations;

(4) supporting the enhancement of the institutional capacity of nongovernmental organizations in borrowing countries as development practitioners; and

(5) establishing or supporting jointly funded intermediary mechanisms with nongovernmental organizations to facilitate increased collaboration between such bank or association and nongovernmental organizations in borrowing countries.

(b) Implementation and financing of program

It is the sense of the Congress that the Grassroots Collaboration Program described in subsection (a) of this section should be implemented and financed as part of the normal operations of the International Bank for Reconstruction and Development and the International Development Association.